Consumer Price Index

Alberta's inflation remains low…

Alberta's year-over-year CPI rate was 0.6% in December, the province's third consecutive month of price increase. Gasoline prices, which were 21.6% higher than December 2008, were the main factor behind the increase in prices. However, this increase was somewhat offset by a sharp decline in the price of natural gas (-14.0%) from a year ago.

Canadian prices were up 1.3% compared to December 2008, also largely due to a 5.9% increase in energy prices from the previous year.

Employment Insurance

Alberta sees slight increase in claims…

In November, 75,300 Albertans received regular EI benefits, up 1.6% from October, which was the third consecutive monthly increase.

On a year-over-year basis, the number of people receiving EI benefits has nearly tripled in the largest centers of Alberta, increasing from 4,630 to 18,680 in Calgary and from 4,940 to 15,620 in Edmonton. Despite the large increases, the number of beneficiaries represents only 3.5% of Alberta's labour force, lower than the national ratio of 4.3%.

Manufacturing Shipments

Steady growth in shipments continues…

Manufacturing shipments in Alberta rose by 1.4% (seasonally adjusted) in November, the fourth consecutive monthly improvement. The gain in sales largely reflected an increase in sales in the petroleum and coal products industry (5.8%) which have now reached their highest level since October 2008.

Canadian manufacturing sales increased by 0.1% in November, a drop from the 2.1% growth experienced the previous month as declines in the transportation sector offset growth in other areas.

⇩	**Canadian Dollar (US¢/CS)**	
	January 22, 2010	94.66
	January 15, 2010	97.21
	2009-10 YTD	90.98
⇩	**WTI Oil US$/bbl**	
	January 21, 2010	$ 76.08
	January 14, 2010	$ 79.39
	2009-10 YTD	$ 68.88
⇧	**Nymex Natural Gas CS/MMBtu** *	
	Near-month Contract	
	January 22, 2010	$ 6.10
	January 15, 2010	$ 5.82

*Estimate based on Nymex Futures Market Price

Wholesale Trade

November sees first growth in 13 months…

Wholesale trade in Alberta increased in November as sales increased by 0.4% from October to nearly $4.7 billion. While this was the first monthly increase since October 2008, wholesale trade was still 17.3% below the November 2008 level. Canadian wholesale trade was up 2.5% in November with every province but Nova Scotia and New Brunswick posting increases.

Retail Sales

Alberta sees slight decline in sales…

Following two months of slight increases, retail sales in Alberta declined by 0.8% (seasonally adjusted) in November. This was the third decline in five months and retail sales levels for November were 6.9% lower than a year earlier. Nationally, retail sales declined by 0.3% with seven provinces experiencing lower sales.

Bank of Canada (BoC) Policy Announcement

BoC somewhat more positive …

While the BoC maintained its overnight target rate at 0.25%, its Monetary Policy Report was slightly more optimistic about the economy than in October.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	Jul	Aug	Sep	Oct	Nov	Dec
Real GDP (in 2002 $billions)	185.9	185.8	--	--	--	--	--	--	--
% change	2.5	0.0	--	--	--	--	--	--	--
Nominal GDP ($ billions)	256.9	291.3	--	--	--	--	--	--	--
% change	7.7	14.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688	3,688	--	--	3,704	--	--
% change	2.7	2.4	2.6	2.6	--	--	2.3	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	4,737	--	--	-2,535	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	6,089	--	--	7,976	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058	2,594	--	--	2,439	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,988	1,986	1,979	1,982	1,967	1,980	1,994
% change	4.7	2.8	-1.3	-1.6	-1.6	-1.9	-3.4	-2.3	-1.0
Unemployment Rate (%)	3.5	3.6	6.6	7.2	7.4	7.1	7.5	7.4	6.7
Average Hourly Wage Rate	6.0	5.7	4.3	4.6	5.9	3.7	3.9	2.5	1.4
Average Weekly Earnings[2]	5.8	6.0	3.5	4.1	1.2	0.6	2.5	--	--
Labour Income[3]	10.5	8.7	1.7	0.3	-1.6	-1.9	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.1	-1.5	-1.7	-1.1	0.1	0.8	0.6
NEW! Excluding food and energy	5.0	2.1	1.4	1.4	1.3	1.4	1.8	1.0	0.7
Non-Res. Const. Cost Index[4] (quarterly)	17.4	13.2	-9.3	--	--	-14.8	--	--	--
Farm Product Price Index	15.1	11.2	-10.6	-16.6	-17.3	-18.8	--	--	--
Crops	43.4	26.2	-22.9	-26.5	-23.6	-20.2	--	--	--
Livestock	0.6	2.3	0.4	-9.8	-15.4	-13.2	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	19.2	19.3	20.1	22.6	26.6	26.0	27.4
% change	-2.1	-39.7	-33.7	-32.0	-13.7	-6.2	5.6	26.8	37.0
New Housing Price Index	22.5	0.7	-9.2	-9.3	-8.9	-8.9	-7.9	-7.1	--
Edmonton	32.1	1.0	-11.3	-11.1	-11.4	-11.4	-10.1	-9.8	--
Calgary	16.2	0.6	-7.0	-7.3	-6.3	-6.4	-5.6	-4.2	--
MLS Average Resale Prices	24.3	-1.4	-3.9	-2.4	0.2	1.3	2.6	3.5	--
Edmonton	34.3	-2.0	-4.1	-3.1	-3.3	0.7	0.4	0.0	--
Calgary	18.7	-2.9	-5.2	-5.2	-0.4	1.1	2.9	4.4	--
NEW! Retail Sales	9.3	-0.1	-9.3	-8.4	-10.1	-8.8	-6.5	-6.9	--
New Motor Vehicle Sales	3.3	-7.3	-23.2	-18.6	-20.6	-15.6	-13.3	-21.3	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-45.6	-66.2	-62.7	-54.1	-50.9	-35.6	-3.8
Goods Exports (customs based)	5.3	34.6	-39.2	-43.9	-42.6	-40.3	-39.6	--	--
Energy	4.4	42.5	-44.1	-48.0	-45.1	-42.3	-41.3	--	--
Agriculture	9.8	32.0	-7.4	-6.8	-9.3	-23.8	-23.8	--	--
Total Farm Cash Receipts (quarterly)	11.9	17.2	-6.7	--	--	-16.1	--	--	--
NEW! Manufacturing Shipments	1.1	7.0	-22.8	-32.7	-25.9	-29.2	-23.0	-11.6	--
NEW! Wholesale Trade	5.0	10.9	-14.5	-16.8	-22.5	-20.3	-24.1	-17.3	--
Building Permits	13.4	-16.5	-21.3	-29.8	-7.6	-8.0	77.1	8.0	--
Residential	10.7	-31.5	-17.3	-9.5	39.1	40.8	53.6	50.5	--
Non-residential	17.1	3.7	-24.8	-46.1	-46.9	-46.0	101.3	-20.2	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are final for the census year.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.4%***	0.5%	0.5%	2.2%	0.0%	1.0%	-0.5%	2.0%	4.2%	**0.0%**	0.0%
2009	***-2.3%***	-3.6%	0.9%	0.4%	0.4%	-1.4%	-2.9%	0.5%	-2.6%	**-2.6%**	-2.0%
2010	***3.0%***	-0.5%	1.8%	1.9%	2.0%	2.4%	3.2%	2.5%	3.7%	**3.0%**	4.2%
Population (As of October 1, 2009)											
Population	**33,873,357**	510,272	141,374	940,397	750,457	7,856,881	13,119,251	1,226,196	1,034,974	**3,703,979**	4,479,934
Annual Growth Rate[a]	***1.2%***	0.5%	0.7%	0.3%	0.4%	1.0%	1.0%	1.4%	1.6%	**2.3%**	1.6%
Net Interprovincial Migration											
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
2010 Census Year (July 1, 2009 to June 30, 2010)		863	-283	320	38	-120	-1,748	-712	823	**-2,535**	3,457
Employment											
Level Change (000s)[b]	**-184.0**	1.3	2.0	-1.0	-2.4	-17.1	-117.8	-4.6	2.6	**-20.1**	-27.0
Percent Change[b]	***-1.1%***	0.6%	3.0%	-0.2%	-0.7%	-0.4%	-1.8%	-0.8%	0.5%	**-1.0%**	-1.2%
Unemployment Rate, 2009 avg (SA)	***8.3***	15.5	12.1	9.2	8.9	8.5	9.1	5.2	4.8	**6.5**	7.6
Participation Rate, 2009 avg (SA)	***67.3***	59.3	68.0	64.6	64.7	65.2	67.3	69.4	70.2	**74.3**	66.0
Average Weekly Earnings											
October 2009	**831.17**	810.87	705.11	735.05	756.42	767.62	857.05	789.85	815.22	**953.69**	805.57
Y/Y Percent Increase[c]	***1.7%***	4.6%	5.0%	1.2%	2.3%	70.0%	1.6%	5.1%	3.0%	**2.5%**	1.8%
2009 Wage Settlements (Jan-Nov)										**2.2%**	
CPI Inflation											
December Annual NEW!	**1.3%**	1.9%	3.0%	2.6%	3.0%	2.1%	1.2%	1.1%	1.1%	**0.6%**	0.4%
Excluding Shelter	**2.4%**	2.6%	4.0%	3.4%	3.6%	2.7%	2.4%	1.9%	2.1%	**2.3%**	1.9%
Housing Starts (000s)											
SAAR December 2009	**174.5**	4.0	1.3	3.5	3.9	49.7	56.0	3.8	4.2	**27.4**	20.8
Retail Sales											
Percent Change[d] NEW!	**0.6%**	4.5%	1.3%	6.6%	3.7%	2.1%	1.3%	1.4%	-1.9%	**-6.9%**	2.0%
2009 YTD Retail Sales Growth	**-3.9%**	2.2%	-1.1%	-0.5%	-0.9%	-1.6%	-3.5%	-1.6%	-2.8%	**-9.3%**	-6.3%
Manufacturing Shipments											
Percent Change[d] NEW!	**-7.8%**	-7.9%	6.2%	-5.1%	21.8%	-4.0%	-9.3%	-13.7%	-13.4%	**-11.6%**	-10.8%

a. Over the past 12 months
b. December 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to October 2009
d. November 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

Government of Alberta
Finance and Enterprise